

FISCAL NOTE WORKSHEET (Revised Nov. 2006)

Agency: Utah State Office of Education
Daniel Schoenfeld
 Requested By

Bill Number HB 172

Office of the Legislative Fiscal Analyst
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Fax/Electronic Mail Transmittal

Date: _____
Name: _____
Fax Number: _____

Please return to Fiscal Analyst by: February 16, 2007

TITLE OF BILL: Utah K-8 Online Virtual School

This Bill Takes Effect: ☐ On Passage ☐ On July 1 ☒ 60 Days after session ☐ Other _____
 Bill Carries Own Appropriation: ☐

FISCAL IMPACT OF PROPOSED LEGISLATION

A. Revenue Impact by Source of Funds:

First Year

Second Year

	First Year	Second Year
1. General Fund		
2. Unifrom School Fund - Free Revenue		
3. Transportation Fund		
4. Collections		
5. Other Funds (List Below)		
6 Local Funds		
7. TOTAL	\$0	\$0

B. Expenditure Impact by Source of Funds:

1. General Funds		
2. Unifrom School Fund - Free Revenue	\$4,813,150	\$4,713,150
3. Transportation Fund		
4. Collections		
5. Other Funds (List Below)		
6 Local Funds		
7. TOTAL	\$4,813,200	\$4,713,200

C. Expenditure Impact Summary:

1. Salaries, Wages and Benefits <u>administration</u>	\$292,215	\$292,215
2. Travel		
3. Current Expenses <u>instruction</u>	\$4,420,935	\$4,420,935
4. Capital Outlay		
5. Other <u>start up</u>	\$100,000	
6. TOTAL	\$4,813,200	\$4,713,200

D. Impact in Future Years?

If no fiscal impact in first two years, indicate if there will be any impact in future years, and explain. Also, indicate any significant changes in fiscal impact beyond the first two years. (Use back side, if necessary.)

Funding would have to continue as long the virtual school is authorized to operate.

E. Identify Sections of the Bill That Will Generate the Additional Workload or Cost Increase

Sections 3 and 4 require the Board to establish and coordinate a virtual elementary school similar to the the Electronic High School and make rules governing the participation of virtual school students in "real" schools.

F. Expenditure Impact Details (Ties to totals in Section C)

The bill appropriates \$3,142 per student (\$4,713,150 appropriation / 1,500 maximum students) in addition to \$100,000 for start up in the first year. This is consistent with the information obtained from a February 12 meeting with the director of the Davis School District's virtual elementary school on the costs of operating such a school on a strictly online/telecommunications basis, from which Patrick Ogden derived an estimate of \$3,166 per student in ongoing costs plus \$81,600 in start up funds. This includes costs for administration (principal, secretary, two coordinators of teachers, miscellaneous overhead) as well as one teacher for every 40 participating families.

G. No Fiscal Impact or Will Not Require Additional Appropriations?

Specify why this bill will have no fiscal impact on your agency or institution.

Specify how you will reallocate workloads, resources, or funding sources to eliminate need for additional appropriations. (USE ATTACHMENTS IF NECESSARY.)

Assuming that administrative responsibilities are an appropriate use of a small percentage of the appropriated funds (6.2%), the bill covers the additional work identified in Section F. This percentage is similar to that of school level administrative costs per student reported by districts for FY 2006 (\$331/ \$5,397).

H. If Bill Carries It's Own Appropriation:

Indicate if the amount appropriated is adequate to meet the purposes of the bill.

Are there future additional costs anticipated beyond the appropriation in the bill?

Based on the available historical experience, it seems adequate.

I. Impact on Local Governments, Businesses, Associations, and Individuals

Specify requirements in the bill that drive the impact on local governments.

*Indicate costs or savings that are **DIRECT and MEASURABLE** . If direct and measurable data are not available, are there areas that potentially could have a fiscal impact? (USE ATTACHMENT IF NECESSARY.)*

Local School Districts/Charter Schools :

Negligible.

Businesses and Associations :

None, unless services are purchased from the private sector, for example, to provide web based urriculum content.

Individuals :

Will provide elementary age students a schooling option currently available in only a few districts.

Narrative Description of Bill :

This bill authorizes the State Board of Education to establish Utah K-8 Online, a virtual school; provides for the participation of Utah K-8 Online students in other public school programs; requires the State Board of Education to make certain rules; and provides for the funding of Utah K-8 Online.